

SENATE BILL 1996
By Fowler

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, Part 2, relative to exemptions from ad
valorem taxation.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-212, is amended by adding the following language as a new, appropriately designated subsection:

() Notwithstanding any provision of subdivision (a)(1) of this section to the contrary, a church may lease property that it owns and that is exempt from taxation to another church for use for the leasing church's religious purposes without loss of exemption from taxation. Such property shall remain exempt from taxation although the rent received exceeds one dollar (\$1.00) per year plus a reasonable service and maintenance fee. As used in this subsection, "rent" means any amount paid by the leasing church to the owning church for use of the property whether expressly denominated as rent under a lease or other written or oral agreement or specified by some other term, or given by the leasing church as a voluntary donation. Any church leasing to another church property that it owns and that is exempt from taxation shall notify the state board of equalization and the assessor of property of the county in which the property is located that such property has been leased and identify the leasing church. The owning church shall also notify the state board of equalization and the assessor of property when the leasing church ceases to use the property for its religious purposes.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.